



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 30-20 – Regulations Governing the Practice of Audiology and Speech-Language Pathology; Department of Health Professions October 19, 1999

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 9-6.14:7.1.G of the Administrative Process Act and Executive Order Number 25 (98). Section 9-6.14:7.1.G requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. The analysis presented below represents DPB's best estimate of these economic impacts.

Summary of the Proposed Regulation

Section 44.1-2603 of the *Code of Virginia* requires the Board of Audiology and Speech-Language Pathology to offer a license for school speech-language pathologists. The proposed regulation sets forth the application and educational requirements for this license.

Estimated Economic Impact

Local school divisions either employ directly, or contract with, individuals to provide treatment for children in public schools identified with special education health needs. Individuals providing speech-language services in public schools must hold a license from the Board of Education (BOE) with an endorsement in speech-language pathology. Currently, speech-language services provided in public schools to Medicaid-eligible children can be billed to Medicaid if the provider additionally holds either of the following credentials:

- A license from the Board of Audiology and Speech-Language Pathology (BASLP) as a speech-language pathologist; or
- A Certificate of Clinical Competence (CCC) from the American Speech-Language Hearing Association (ASHA).

The 1999 General Assembly directed the Board of Audiology and Speech-Language Pathology to offer a “School Speech-Language Pathologist” license to persons licensed by the Board of Education with an endorsement in speech-language pathology and a master’s degree in speech-language pathology. Upon approval by the Health Care Financing Administration (HCFA), this change will allow employers of licensees to seek Medicaid reimbursement for their services.

The Department of Education reports that there were 1,248 individuals providing public school speech-language services in 1997-1998 school year. Based on the results of a survey conducted by the Department in October 1998,¹ it is estimated that:

- 661 individuals (53%) already meet the qualification requirements to bill services to Medicaid; (i.e., either hold a Certification from the American Speech-Language Hearing Association or licensure in Speech Pathology from the BASLP).
 - 237 providers (19%) hold a Board of Education license and have a master’s degree in speech-language pathology, yet do not hold a BASLP license or a Certificate of Clinical Competence from the American Speech-Language Hearing Association.
- These individuals would be eligible for the school speech-language pathologists license proposed by the Department of Health Professions.**
- The remaining 28% of providers hold either a provisional or “grandfathered” BOE license and do not have a master’s degree.²

¹ At the request of the Joint Subcommittee studying Medicaid Billing in Public Schools, the Department of Education sent a survey to all school divisions requesting data on the qualifications of speech-language pathologists, school psychologists, and school social workers. Sixty-two percent of the school divisions responded. The estimated impact presented here apply the percentage of providers in each category to the total number of providers in 1998.

² The Board of Education requires a master’s degree in speech-language pathology for all hires after 1999. Persons hired with a bachelor’s degree may work with a provisional license and must work toward the master’s degree. Persons hired prior to 1992 may be “grandfathered” with a bachelor’s degree and certain graduate coursework.

If the HCFA authorizes reimbursement for services rendered by persons holding the proposed school-speech language pathologist license, the number of providers eligible to bill Medicaid could increase by 19% (237 providers). This could in turn increase reimbursement to local school divisions by \$672,000 if all 237 BOE-licensed individuals with master's degrees obtained the school-speech language pathologist license and billed qualifying services to Medicaid.³

The savings of \$672,000 may be over-estimated for two reasons. First, according to the Department of Education, local school divisions billed speech-language services to Medicaid in 1998 on behalf of only 106 providers. This represents only 16 percent of the estimated 661 providers qualified to currently bill services to Medicaid. Secondly, since the benefits of the proposed school-speech language pathologist license will accrue solely to the local school system, rather than the licensee, some individuals may hesitate to pay the \$50 application fee and \$60 biennial renewal fee to obtain the license. However, it would seem reasonable to expect that local school divisions will financially assist school speech-language pathologists in becoming licensed.

The following table summarizes the potential costs and savings associated with the proposed school-speech language pathologist license and indicates that there exists a net economic benefit for each individual who obtains the proposed school-speech language pathologist license.

Table 1: Estimated Economic Impact of Proposed BASLP License

| | Per Provider | | Aggregate | | |
|-----------------------------|----------------|------------------|------------|------------------|------------------|
| | 1st Year | Subsequent Years | Minimum | Maximum | |
| | | | | 1st Year | Subsequent Years |
| Savings | \$2,836 | \$2,836 | \$0 | \$672,000 | \$672,000 |
| Costs | \$80 | \$30 | \$0 | \$18,960 | \$7,110 |
| Net Economic Benefit | \$2,756 | \$2,806 | \$0 | \$653,040 | \$664,890 |

³ Information provided by the Department of Education showed that a total of \$583,770 was billed to Medicaid by local school divisions in 1998 for speech-language services by 106 providers. This averages to \$5,507 billed per provider. Assuming a 51.49% Medicaid reimbursement rate, approximately \$2,836 in matching funds could be drawn for each billing provider.

Businesses and Entities Affected

The proposed regulation will affect the estimated 237 individuals licensed by the Board of Education with an endorsement in speech-language pathology.

Localities Particularly Affected

The proposed regulation is not expected to uniquely affect any particular localities.

Projected Impact on Employment

The proposed regulation is not expected to have any significant impact on employment in Virginia.

Effects on the Use and Value of Private Property

The proposed regulation is not expected to have any significant effects on the use and value of private property in Virginia.